

AB 684 (Dutra) Public Transit Smart Cards

REGIONAL COUNCIL ATTACHMENT #4.2.3

Thursday, June 5, 2003

REPORT

DATE: June 5, 2003
TO: The Regional Council
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SUBJECT: AB 684 (Dutra) – Public Transit Smart Cards

EXECUTIVE DIRECTOR'S APPROVAL

RECOMMENDED ACTION: The Transportation and Communications Committee recommends a support in concept position.

SUMMARY:

AB 684 introduced by Assembly Member Dutra (D - Fremont) February 19, 2003 would require all publicly owned transit operators who chose to implement a smart card system to comply with specified requirements. The bill would also require the Department of Transportation (DOT) along with these transit agencies to establish a committee of smart card system managers.

AB 684 went to the TCC on May 1, 2003 with a SCAG staff recommendation of a support in concept position. TCC voted to support in concept, as the legislation implements part of SCAG's Regional Transportation Plan. AB 684 attempts to set a standard for interoperability of various smart cards in the state, leading to a seamless transit fare medium. In the SCAG region the Ventura County Transportation Commission (VCTC), the sponsor of AB 684, already has a fully functional smart card system and other agencies including Los Angeles County Metropolitan Transit Authority (MTA) and Orange County Transportation Authority (OCTA) are in various stages of smart card deployment.

BACKGROUND:

Since the TCC meeting AB 684 was amended, but the concept of the bill remains the same. As amended May 6, 2003 AB 684 outlines the following requirements for publicly owned transit operators who choose to implement a smart card system:

- All smart card systems placed under contract for installation after December 31, 2005 shall be capable of interoperability;
- All smart card systems in operation or under contract for installation prior to December 31, 2005, shall enable interoperability as related components of their existing system are replaced or upgraded;
- All transit agencies that purchase technology to accept smart card fare payments are encouraged to also accept smart card transactions from other transit operators;
- Functional requirements shall be developed for the purpose of facilitating interoperability between systems that do not have compatible technology that meet this requirement.

AB 684 also requires the DOT to form a committee of smart card system managers, consisting of representatives from the following: Metropolitan Transit Commission (MTC), VCTC, Los Angeles County MTA, OCTA, Metropolitan Transit Development Board, OMNITRANS, Riverside Transit Agency, Southern California Regional Rail Authority (Metrolink), Sunline Transit Agency, and representatives of the municipal operators in the County of Los Angeles. The committee will oversee the development of functional requirements to enable interoperability by June 2005. Once the committee has developed the standards, it will solicit proposals from smart card vendors for the development of the

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public domain specifications, which will be available to all vendors and agencies that wish to develop interoperable smart card systems.

As amended AB 684 eliminates a previous requirement for DOT to submit a report to the Legislature by January 1, 2006, and annually thereafter, describing the progress made towards the implementation of statewide interoperable smart card systems. However the new version of the bill adds language addressing privacy issues specifying transit agencies may not sell any personal information of consumers.

SUPPORT:

AB 684 is sponsored by VCTC and supported by Metrolink. Other agencies including OCTA have signaled support for the legislation.

OPPOSE:

The American Civil Liberties Union (ACLU) opposes AB 684 due to concerns regarding consumer privacy issues.

BILL STATUS:

AB 684 was heard in Assembly Transportation Committee on April 28, 2003 and passed by a vote of 18 to 0. The bill was referred to Assembly Appropriations, as amended on May 6, 2003.

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 02/03 budget and adopted 2003 SCAG Legislative Program and does not require the allocation of any additional financial resources.

ATTACHMENT:

AB 684 Text

T. Gorham
AB 684 TCC Report
docs#84212



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AMENDED IN ASSEMBLY MAY 6, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 684

Introduced by Assembly Member Dutra

February 19, 2003

An act to add 99180 to the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 684, as amended, Dutra. Public transit smart cards.

Existing law requires transit operators to honor any current identification card that is valid for the type of transportation service or discount requested and that has been issued to an individual with disabilities by another transit operator.

This bill would require all publicly owned transit operators who choose to implement a smart card system, as defined, to comply with specified requirements. The bill would require the Department of Transportation and the transit agencies who choose to implement the smart card system to establish a committee of smart card systems managers. ~~The bill would require the department to submit a report to the Legislature not later than January 1, 2006, and annually thereafter, describing the progress toward implementing a statewide interoperable smart card system.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Smart card electronic payment media systems, both contact and contactless, excluding magstripe or paper fare medium, can enhance transit passenger mobility, expedite transit boardings, reduce fare collection costs, and provide valuable planning information.

(b) Smart cards used on public transit are likely to have widespread applications outside of transit use.

(c) More than one system and technology is available.

(d) There are multiple agencies in the state operating a variety of transit modes, who are potential users of smart card systems.

(e) There are currently ~~no~~ smart card electronic payments media systems operating on transit systems in the state, ~~although~~ and several operators have selected a system or technology for future implementation.

(f) It is in the best interest of transit passengers and transit operating agencies, as well as other potential users of systems, to have smart card electronic payment media and technology that can read and write data from all smart card systems in the state.

(g) Compatible smart card electronic payment media systems can be selected for statewide use without requiring the purchase and installation from a single vendor or producer.

(h) The use of smart cards can greatly increase the level of convenience and facilitate transfers for transit riders, and increase efficiency and reduce costs for transit providers, potentially leading to increased transit ridership and reduced automobile dependency.

SEC. 2. Section 99180 is added to the Public Utilities Code, to read:

99180. (a) For those publicly owned transit operators who choose to implement a smart card system, all smart cards, contact or contactless, excluding magstripe or paper fare medium, used as electronic fare media shall comply with the following requirements:

(1) All smart card systems placed under contract for installation after December 31, 2004, ~~shall contain a slot reserved for a public domain Security Access Module (SAM) 2005, shall~~

1 *be capable of interoperability* regardless of the vendor,
2 manufacturer, or issuing public transit system operator.

3 (2) All smart card systems in operation or under contract for
4 installation prior to December 31, 2004, ~~shall procure equipment~~
5 ~~with a slot reserved for the public security access module (SAM)~~
6 *2005, shall enable interoperability* pursuant to paragraph (1) as
7 related components of their existing system are replaced or
8 upgraded.

9 (3) All transit agencies that purchase technology to accept
10 smart card fare payments are encouraged, but not required, to also
11 accept smart card ~~electronic purse (e-purse)~~ transactions from
12 other transit operators within the state. Acceptance of e-purse
13 transactions from another system shall be dependent on the
14 application issuer and transaction acquirer agreeing on the
15 following:

16 (A) The ~~application~~ *transaction* being accepted for payment
17 can comply with the acceptors standards for security, audit,
18 business rules execution, and settlement processing.

19 (B) The acceptor's systems can interact with the card
20 application consistent with the application issuer's standards for
21 security, audit, business rules execution, and settlement
22 processing.

23 (C) A certification process that demonstrates that both the
24 acceptor's and issuer's standards are being met.

25 (D) The financial terms of the agreement.

26 (4) ~~A public domain e-purse application and an associated~~
27 ~~public domain security access module (SAM)~~ *Functional*
28 *requirements* shall be developed for the purpose of facilitating
29 interoperability between systems that do not have compatible
30 technology that meet the requirements of paragraph (3).

31 (b) The Department of Transportation acting as the lead
32 agency, shall establish a committee of smart card system
33 managers, consisting of representatives from Metropolitan ~~Transit~~
34 *Transportation* Commission, Ventura County Transportation
35 Commission, Los Angeles County Metropolitan ~~Transit~~
36 *Transportation* Authority, Orange County ~~Transit Transportation~~
37 Authority, and Metropolitan Transit Development Board,
38 OMNITRANS, Riverside Transit Agency, Southern California
39 Regional Rail Authority, Sunline Transit Agency, and
40 representatives of the municipal operators in the County of Los

1 ~~Angeles to oversee the development of specifications and software~~
2 ~~to implement the public domain e-purse application and associated~~
3 ~~public domain SAM functional requirements to enable~~
4 ~~interoperability.~~ The committee shall develop the standards to
5 ~~which the public domain e-purse application and associated public~~
6 ~~domain SAM shall be developed functional requirements~~ by June
7 2005.

8 (c) Upon completion of the ~~standards functional requirements,~~
9 ~~the department committee established in subdivision (b)~~ shall
10 solicit proposals from smart card vendors for the development of
11 the public domain e-purse application and associated public
12 domain SAM specifications. This public domain e-purse
13 application and associated public domain SAM functional
14 specification shall then be available to all vendors and agencies
15 that wish to develop interoperable smart card systems.

16 (d) For purposes of this section, "smart card system" is a
17 system that utilizes a computer chip and is capable of exchanging
18 information with a device that monitors fare.

19 ~~(e) The department shall submit a report to the Legislature not~~
20 ~~later than January 1, 2006, and annually thereafter, describing the~~
21 ~~progress made towards the implementation of statewide~~
22 ~~interoperable smart card systems.~~

23 (e) All transit agencies that purchase technology to accept
24 smart card payments may not sell any personal information,
25 including, but not limited to, travel pattern data, address,
26 telephone number, bank account information, or credit card
27 number, of any person who subscribes to a smart card system under
28 this division.

29 (f) This section does not prohibit a transit agency from
30 providing aggregated information derived from collective data
31 that relates to a "smart card system" and the sharing of this data
32 with other transit agencies in order to comply with interoperability
33 specifications and standards adopted under subdivisions (b) and
34 (c).